

The communications strategy can have a huge impact on results.

Maximizing Performance Improvement Through Effective Communications

By Paula Godar, CPIM, Maritz, Inc., 2006.

Communications Are Key

A performance improvement program represents a sizable investment to an organization. Achieving the return on that investment that is expected and deserved requires the full and enthusiastic participation of the performance improvement target audience. Nothing less will do.

For that to happen, potential participants need to know that

- The program exists;
- It's fun and exciting;
- It can yield significant rewards.

Gaining Attention Gains Results

All of that needs to be communicated to program participants in a way that gets their attention and makes the features, advantages, and benefits of the program clear. And it needs to be communicated to them often – in the beginning to announce the program and, to generate awareness and excitement, and regularly during the life of the program, to keep awareness and enthusiasm high and to provide feedback on the progress participants are making toward the goal.

Enthusiastic participation isn't a nice-to-have. It's a must-have. Getting that is the job of program communications. Describing how it's done in performance improvement programs is the purpose of this paper.

Effective Communications Make The Program Work

A well-designed performance improvement program communications take advantage of the way our brains work. The right hemisphere of the brain processes all creativity, humor, non-verbal ideas and emotional expression. Art, music, creative copy, photographs and video stir the emotions – and emotions are a strong force in driving behavior. Specifically, effective performance improvement communications work by:

Creating initial interest and excitement in achieving program goals.

Developing that interest by explaining program goals and the award opportunities that are associated with goal achievement.

Dramatizing the award opportunities.

Creating a program image that gives the program identity and initiates a sustainable message throughout the length of the program.

Breaking through the information “clutter” to call attention to the message in a way that continues to interest and motivate your participants throughout the program’s duration.

Involving participants’ families through mailings to the homes, generating additional excitement and commitment to achieving program goals.

Although the measurable objectives, rules and quantifiable results inherent within a performance improvement program make them fairly “left brain” oriented, it’s the emotional and creative right brain that creates the personal aspiration to succeed, and which has the dominant role in driving true program success.

The Importance of Communications

A survey of 159 companies¹ (more than a third being within the Fortune 500) revealed that 72% now have variable pay plans. This figure is up from 47% in 1990). Such plans may involve cash awards or gifts for individual or team performance on specific tasks, or benefits like profit sharing or stock ownership. 18% of the companies surveyed said they planned to expand their plans to include more employees in the following year. In spite

of planning to expand their plans, only 22% of the companies surveyed said their plans had actually helped them achieve all of their business objectives; 28% said their plans had achieved none of them.

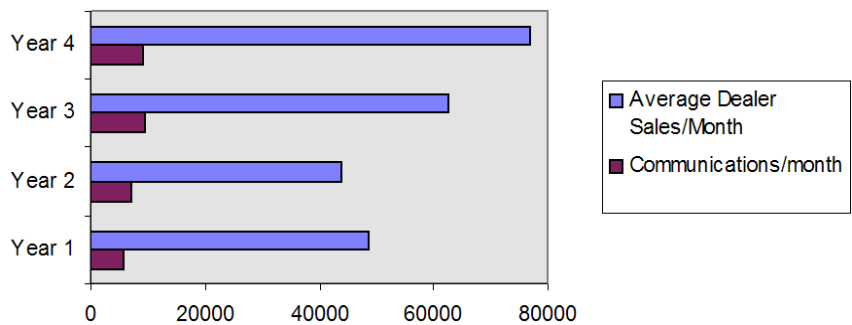
What went wrong? According to Ken Abosch, a consultant at Hewitt Associates, a Chicago-based firm that conducted the survey, plans may fail to deliver on their intended goals because employees are not told enough about them and are not kept up to date on the plan's progress.

89% of companies that regularly communicated with employees said their plans had met their goals, versus only 57% of companies that did not discuss them regularly. Clearly, these results demonstrate that communicating well, and regularly, are essential for maximum program success.

Communications Produce Results – Case Study One

During a four-year period, a tire manufacturer² consistently increased the amount invested per month in communications to an audience of about 500 dealers. As shown in the chart below, monthly sales results from core participating dealers increased disproportionately to a modest increase in communications expenditures:

Sales Growth – Communications Investment



In the years following this period, the client continued to increase both the overall amount and the frequency of communications. Sales continue to grow for this client. Although other factors undoubtedly influenced the performance of the dealers, based on the success of these campaigns, the client contact adopted a

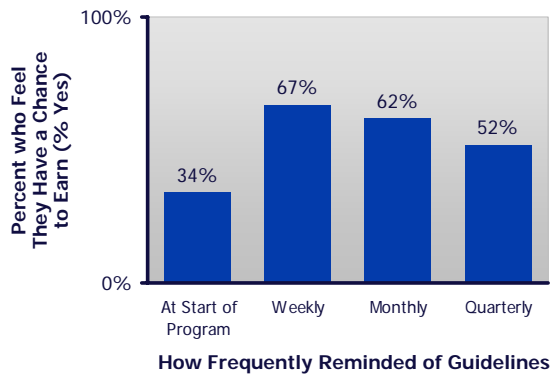
policy of increased communications frequency and overall communications investment.

Why Are Communications So Important?

We all receive umpteen pieces of mail, email, and other communications daily. Those elements that are most engaging are the ones that get opened and read. Another reason is the participant’s perception of their likelihood to earn in the program. A 2004 nationwide poll of 1002 people involved in incentive programs showed that people who received more frequent program communications were also more likely to believe they had a chance to earn in the program. It follows that believing you have a chance to earn would make participants more likely to exert the necessary effort to succeed.

The following graph reveals that the more participants are reminded about an incentive program, their perceptions that they will be successful earners increases.

Perceptions of “Odds of Earning” Increase As The Frequency of Program Communications Increases



Note: The specific questions posed were: Do you feel you have a chance to win an award? In general, how often are you reminded of the guidelines when participating in an incentive program? (Sample size: 358 of 1002.)

Critical Success Factors for Effective Program Communications

A study of 154 successful incentive programs³ in a one-year period found several critical success factors in common among all programs. Among these were allocation of a significant portion of the budget for communications and a commitment to frequent communications.

Allocation of Budget

- 69% of the successful programs allocated 7% or more of the amount of the awards budget for print communications and/or training promotions.
- Half of the successful programs spent 10% or more of the amount of the awards budget for communications/training.

Communications Frequency

Successful programs tended to have a higher frequency of mailings (one or more per month):

- 61.8% had one or more mailings per month.
- 38.2% had less than one per month.
- 85% of the successful programs mailed at least every other month.

Four-Color Usage

- 74% of programs used at least some four-color process mailings in their mailing programs.

This study showed that the clients who had enjoyed successful results made the commitment to communicate frequently with their participants, using a campaign consisting of program-specific communications pieces.

Communications Produce Results: Case Study Two

During a program for a large utilities company, both two-color and four-color printed pieces were used to communicate monthly to program participants. Referrals increased significantly – an average of 117% – during the months when four-color mailers were used instead of two-color mailers.

Why Won't A Letter Do? Often, new clients want to send a simple letter stating rules and awards at the beginning of a program so they can shift more of the budget to awards. That seems logical – the bigger the carrot, the better the results, right? Why doesn't that work?

For the carrot to work, participants have to see it, want it badly, know how to get it, and think about the carrot all the time. That's all accomplished through communications.

***It's About Engagement:
4-Color Gets Noticed***

Letters definitely have their place in many effective campaigns. A letter signed by a top company executive about the program shows upper management commitment. A letter from the chef or the golf pro from the resort hosting the program's top performers makes that destination more real, and therefore, more motivating. But think of all the simple letters, e-mails and postcards we all receive. Do they all engage you and cause you to act? To capture attention and generate enthusiasm, communications have to stand out and evoke an emotional response. Color is a terrific tool for that.

How Color & 3D Add Impact

Color affects virtually every facet of our lives; for example, what color can one see at the furthest distance? The answer is: lime green. That's why you may have noticed more and more lime green fire engines taking the place of the classic red ones. Similarly, color has more impact on print pieces than in simply making them more engaging visually. Focus groups and in depth studies on effective communications have yielded many surprising facts.⁵ Two key facts include the following:

The addition of one color (i.e. making a one-color print piece a two-color print piece) increases readership of the item by 47% -- hefty increase for a minimal investment.

A three-dimensional print item will increase readership by 10 times compared to traditional flat printed pieces, four-color or not. (3-dimensional print pieces are those that include unique folds or die cuts, or contain inserts or premiums such as in a box or envelope having a noticeable bulge).

Now, just imagine the built-in advantage of doing a four-color print dimensional piece!

A Study On Print

A study on print by Dr. Matt Shank from Southern Illinois University⁶ yielded some interesting results. The following provides a synopsis.

Greater Impact. Attitudinal, cognitive and physiological measures were used to assess the impact of three factors: color, shape and size. The findings suggest that the majority of people will be attracted to four-color communication material when given the choice, (55.2% vs. 13.8% for 1-color).

This is significant when you remember the quantity of information that people receive daily.

Greater Appeal. Likewise, the experiment measured “Most Appealing”. In virtually all cases, the four-color communications had a greater impact than the two or one color pieces. Four-color appeared more exciting, important, fun, sophisticated, original, strong and enlightening than either of the others. It added a personality.

More Memorable. Along with four-color communications being more appealing and attention gaining, they also facilitate memory. Subject matter retention went from 41% for 1-color to 69% for 4-color!

The Impact of “Other” Communications Media

And that’s just printed communications. What about video, audio, live presentation, and electronic communications? Yet another way to promote a program is a 3-dimensional logo-imprinted “teaser.” Sunglasses promoting a sun and fun travel award or a coffee table book on the destination are examples. All are tools for building the best communications campaign for a performance improvement program and all need to be engaging, lively and creative to communicate persuasively.

Presentations Magazine Results

A study⁷ reported in *Presentations Magazine* in February 2000 conducted by the magazine, in partnership with 3M, compared reactions to two different presentation methods. Participants were asked to choose between two hypothetical banks – one presented through a simple pamphlet for participants to read, and the other presented through a multimedia presentation given by a live presenter.

Methods Communicate Professionalism, Credibility and More

80% of the participants said they would choose the bank represented by the multimedia presentation. They felt it was more credible, more professional and, offered better services and lower fees. Yet, the services and fees between the two banks were actually identical! It was the persuasiveness of the medium that won them over.

Multimedia Makes A Difference

Other studies done at the same time showed multimedia presentations to have superior results in comprehension and learning over receiving the information through text alone. That's why it's recommended that programs be launched through kick-off meetings whenever possible and that programs use a combination of media.

With the advent of the internet and electronic communications, many thought they could eliminate other forms of communication, particularly print and other tangible media. It seemed like a great chance to save money – the costs of printing and postage could go to awards or other services. But after some time it became apparent that electronic communications alone were not completely effective. One company that had cut every form of communications except electronic sent out a participant survey after several years of operating like that and found that most of the dealers in the program were not aware of the program or did not understand what they needed to do to earn in the program. They have recently added back other forms of communication and hope to see improvement in results soon.

What The Catalog Industry Has Taught Us

There's a lot to learn about the need for a mix of media from the catalog industry. Some companies believed they could eliminate costly print catalogs and rely solely on the internet to market their merchandise. Yet several studies have shown that print catalogs not only drive more customers to the online versions, they also stimulate customers to purchase more and more frequently.

comScore Networks Study

A 2004 study by consumer behavior research company comScore Networks⁸ revealed some surprising insights. In a survey of some 6,400 online shoppers from 40 retail websites, consumers who received a printed catalog were twice as likely to make an online purchase, more likely to spend "quality" time on the retailer's site and made 15% more transactions than those who did not receive catalogs.

Communications Produce Results: Case Study Three

Attention-getting communications in any form can have dramatic results. A program for a business products manufacturer traditionally had 70% of participants reporting sales within 30 days. After sending participants an exciting Flash movie about the program by e-mail, 92% of participants were reporting their sales within ten days! Renewed energy and enthusiasm were just what was needed to achieve results.

Communicating and Promoting Your Program

A performance improvement program will be vitally important to growing your business. And it will be important for your participants, too, but it will not be the only activity in their lives for the duration of operation. To keep the program fresh and exciting, we recommend frequent and interesting communications. In short, mix it up and do it often!

Participants Want Frequent, Impactful Communications

In fact, program participants tell us the same. In recent research¹⁰ with program participants, we heard over and over that participants want to hear more about the program, hear about it more often, and they want us to keep the excitement conveyed at program launch going on and on. Quotes include:

“Send things out to all employees not just managers,”

“Promote program more visibly,”

“Communicate goals in timely manner, update more often.” and

“Communicate more about the program (how it works, awards, etc.)”

Think Strategically

Letting up on communications after the launch is a lot like buying a treadmill, using it fervently during the first month and then letting it become covered with dust – you don’t get the results you were looking for. Paying proper attention to communications opportunities throughout the program, according to the needs of the audience and of each program, produces the greatest success.

The development of an effective communications plan requires the same research and assessment practices involved with any successful marketing plan. Decisions in determining the right messages and the most appropriate media are made strategically.

Communications Produce Results – Case Study Four

A company¹¹ had operated a sales incentive program for several years. Results were acceptable, but continuous improvement was desired. The creative team proposed using the principles of direct marketing to tailor further communications efforts to specific participant groups. The participant file was separated between past participants who enrolled for the new program and those who did not; between those who had made claims in the current year, and those who did not; between those who had made claims in the prior year, and those who did not.

A mailing was conducted using a humorous image on one side of a postcard to get attention with the message on the reverse customized to each group. The program achieved 126% of its objective for increased participation, and 167% of its goal for increasing the number of claims for each participant. Knowing your audience ensures the message is understood and generates results.

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